

March 2001

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UIFast Tax® 2001 Update

Some versions of UIFastTax® will not accept the year 2001 for filing the 1st quarter 2001 taxes. Version 2.6 will allow the year 2001 for filing taxes for 1st and 2nd quarters.

A service release to upgrade from version 1.5 to 2.6 is available now. This service release (sr260.exe, a 406KB file) can be ordered or downloaded from our website at www.wa.gov/esd/uifasttax/ or you can contact us at (360) 902-9351.

An improved, easier to use, UIFast Tax® version 3.0 will be released summer 2001. With a new, wizard driven, user interface, version 3.0 will accent the "fast" in UIFast Tax®.

If you have any questions, please e-mail to uifastsupport@esd.wa.gov or call (360) 902-9636.

Why Supporting the EITC Makes Sense for Business

The Earned Income Tax Credit (EITC) is a special tax benefit for working people who earn low or moderate incomes. It has several important purposes: to reduce the tax burden on these workers, to supplement wages, and to make work more attractive than welfare.

As a business person, the EITC works for you in three ways:

1. Makes your employees aware of the EITC benefit and encourages them to file, and its like giving them a year-end bonus - at virtually no extra cost to your business. Participating in the EITC program is an excellent way to enhance employee loyalty and to emphasize the benefits of work.
2. Participate in Advance EITC, and it's like giving your employees a raise-again, at virtually no cost to the business.
3. Encourages every EITC - eligible worker to file, and the Washington economy benefits from a cash infusion worth hundreds of millions of dollars.

For more information about EITC and volunteer tax assistance site locations, call the EITC hotline: 1-800-755-5317 or 1-800-833-6388 (TDD/TTY), Monday - Friday from 9a.m. to 6p.m. (PST).

Are You Reporting Excess Wages Correctly?

Thousands of businesses reported excess wages, line 13 of the Quarterly Tax Report (5208A), incorrectly this last quarter, so we would like to explain the calculation in more detail.

What are excess Wages? Non-taxable, calendar year-to-date gross wages paid to an individual employee in excess of the annual taxable wage base listed in Item 13 of the Quarterly Tax Report. Excess wages are totaled for all qualifying employees for the quarter and reported on line 13. Excess wages are reportable on the Tax Report but are not taxable.

Most errors appear to be based on:

- Use of last year's wage base;
- Using the FUTA wage base of \$7,000 as opposed to the correct Washington state wage base;
- Reporting excess wages quarter-to-date as opposed to year-to-date; and
- Use of incorrect social security numbers from one quarter to the next.

For 2001, the wage base in Washington state is \$26,600 AND it is cumulative year-to-date. The wage base for 2000 was \$24,300.

If you find that you have made any error in reporting excess wages, you can use the Amended Tax and Wage Report form included with this mailing to correct the error.

Our free UIFast Tax software has a feature that will automatically calculate excess wages for you. (To order, see top article.)

Please call your District Tax Office with any questions you may have.

Example: If one employee earns \$7,500 per quarter and if the taxable wage base were \$20,000, calculations would be as follows.

	Total Wages for Quarter (Line 12)	Excess Wages for Quarter (Line 13)	Taxable Wages for Quarter (Line 14)
1st Quarter	7,500.00	.00	7,500.00
2nd Quarter	7,500.00	.00	7,500.00
3rd Quarter	7,500.00	2,500.00	5,000.00
4th Quarter	7,500.00	7,500.00	.00

Layoffs Due to Earthquake?

Employers who had to lay off workers due to the recent earthquake, should request (in writing) Relief of Benefit Charges. You need to request this to protect your experience rating. Follow the instructions on the Notice to Base Year Employer Form (EMS 166).

Important Information that May Save You Tax Dollars

Return the **Notice to Employer-Claimant's Separation Statement** (EMS 5361) for any separation other than lack of work, if you are questioning the claimant's availability, or if you are requesting standby status for a claimant. If you have received both the **EMS 5361** and the **Notice to Base Year Employer (EMS 166)** and the separation is due to either a quit or a discharge, please only return the **EMS 5361**. If you are requesting relief of charges for a quit or work-related discharge, mark the appropriate box at the bottom of the form and use the address/fax number shown.

If you only received the **EMS 166** and you think you qualify to request relief of benefit charges, follow the instructions shown on the form and the flyer.

You get

qualified job candidates.

We get absolutely nothing.
(better hurry before we rethink this deal.)

**List jobs for free at
go2worksource.com**

go2worksource.com lets you reach thousands of Washington job seekers daily without spending a dime. Simply go to the site, post your job listings and watch the resumes roll in. Just please don't call our accountants.

WORKSource
Washington

Employment Cited as Key Issue in 2001

The Northwest Employment Expo, which attracted approximately 1,500 job seekers last year, will take place from 11 a.m. to 7 p.m., on Thursday, April 19, at the Best Western Lakeway Inn, in Bellingham.

The annual Northwest Employment Expo, which is co-hosted by *WorkSource Northwest and Business Pulse Magazine*, is a public/private partnership with the intent of providing a solution for employers and job seekers.

The agencies and organizations of the partnership work together to offer customized recruitment and screening, a large pool of skilled and qualified applicants, pre- and post-employment training, hiring and training financial incentives, technical assistance with workforce regulations and much more. Statewide WorkSource self-service options are available at go2worksource.com.

Booth space is still available. For more information, call (360) 671-3933 or visit the web site at www.nwemploymentexpo.com.

Credit Notices for Washington Employers

Washington State employers, who have a UI Tax credit balance, will be sent quarterly Credit Balance Notices beginning this April. This includes both active and inactive employers. The notices will be sent in April, July and October of 2001, and January 2002. Active employers are encouraged to use the credit when filing their quarterly UI tax reports. Employers should use the credit on their next report (line 21) or have an authorized representative sign the form and return it to receive a refund. Questions can be directed to the District Tax Office listed on the statement.

Employer Reports-Hours Worked

Washington State requires employers to report the actual number of hours worked by each employee on the Quarterly Wage Detail Report (5208B). Accurate reporting of hours expedites the processing of unemployment claims. Here are some easy rules to follow when calculating hours on the Quarterly Wage Detail Report:

Employees on a salary: If the employee works a standard 40 hour week, multiply 40 hours times the number of weeks they worked in the quarter. There are thirteen weeks in a calendar quarter.

Commissioned employees: Report actual hours worked, if you do not track actual hours give them credit for a 40 hour work week, if they are full time.

Overtime: Report the number of hours actually worked.

Vacation pay: Report the number of hours on leave with pay. Cash payments in lieu of leave will not have any hours, so enter a zero in the field.

Sick leave: In accordance with RCW 50.04.330, payments and hours made under a qualified plan for sickness or disability are not reportable.

Failure to report hours: If you have not tracked hours worked, leave the field blank. Please note that this may cause your future tax rates to increase. If there are no hours worked in that quarter, enter a zero.

Paper 5208B-Quarterly Wage Detail Reports Are On The Way

We have estimated the number of blank 5208Bs your company will need to get you through the year 2001. They will be mailed in time for filing your first quarter 2001 report. Please watch for them and be sure to save the extras for future quarters. If you need additional blank forms, you may e-mail us at: forms5208@esd.wa.gov; contact your local District Tax Office; or call (360) 902-9360. You can eliminate the need to complete these paper forms by using *UIFast Tax*. Please see the *UIFast Tax*® article on the previous page.

Unemployed Due to the Earthquake and Not Eligible for Regular Unemployment Benefits?

Disaster Unemployment Assistance (DUA) is available to people who are unemployed due to the earthquake of February 28, 2001, who either lived or worked in King, Kitsap, Lewis, Mason, Pierce, Snohomish, Grays Harbor and Thurston counties AND are not eligible for regular unemployment benefits.

A press release explaining how people can apply for DUA is located on the Internet at <http://www.wa.gov/esd/AgencyInfo/news.html>.

Applicants need to call 1-866-416-7274 to apply.

DUA applications are available. A printable version will be on the Internet at <http://www.wa.gov/esd/ui/dua.htm>.

Paper applications will be available at FEMA Disaster Field Offices (call FEMA at 1-800-462-9029 for locations), Employment Security local offices, and WorkSource offices.

Applicants have until April 2, 2001 to apply for these benefits.

Report a Fraud Today

Know of a dishonest contractor, employer, worker, health care provider, attorney?

Report-a-fraud hotline:
1-888-811-5974

Report-a-fraud-website:
<http://www.lni.wa.gov/fraud/>

The Department of Labor and Industries, in coordination with the Department of Revenue and the Employment Security Department, want to help you cut down on fraud. You don't have to give your name.

It's On The Net

***Employment Security:
The Right Connection***

***Visit Employment Security's
Homepage at: www.wa.gov/esd***

The News You Need To Know About Employment Security.

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